

# Healthy KANSAS

## 1. Contain costs by streamlining the health care system

Approximately 30 percent of the \$12 billion that Kansans spend on health care every year goes to pay for administrative overhead, such as paperwork, claims processing, and provider credentialing. To address the problem, a Health Care Cost Containment Commission will be established to work with doctors, hospitals, and health plans to streamline the health care system. In addition, virtually all of the state's health care purchasing will be combined in a new business division – the Kansas Health Care Authority – to allow the state to use its \$1.6 billion in purchasing power to push for real cost-saving reforms.

**Cost: None**

## 2. Give small businesses an affordable health insurance option

Two-thirds of working Kansans who cannot afford health insurance are employed by small businesses. Though surveys indicate that many business owners would like to offer health coverage to their employees, most cannot afford it. Through the Business Health Policy Committee, which was created by the Legislature, small businesses that until now have not been able to offer coverage will be given an affordable new private insurance choice that will allow them to pool their resources.

**Cost: \$12 million**

## 3. Provide coverage and preventative care to Kansas children

Kansans support the goal of providing health care coverage to all Kansas children. As a first step toward that goal, the HealthyKansas initiative will launch an aggressive campaign to enroll the more than 40,000 Kansas children who are eligible for Health-Wave coverage but not receiving services. Through a process known as presumptive eligibility, a majority of these children will finally be enrolled. Providing coverage to these eligible children is not only the right thing to do, it will help lower health care costs. Often, children without coverage do not receive preventative care, which forces parents to seek expensive emergency room care when their children become ill.

**Cost: \$9.5 million**



#### **4. Establish pilot project for children of low-income state employees**

The 2001 Kansas Legislature authorized, but never funded, a pilot project to provide health coverage to children of state employees with household incomes that qualified them for HealthWave but who federal rules prohibited from receiving the benefit. The HealthyKansas initiative will assist those state employees in obtaining coverage for their children.

**Cost: \$2.5 million**

#### **5. Provide coverage to low-wage, working parents**

There are thousands of Kansas parents who work hard and play by the rules but who cannot afford health coverage. Currently, parents who make less than 37 percent of the federal poverty level (FPL) – approximately \$7,000 annually for a family of four – are eligible for HealthWave coverage. The HealthyKansas initiative would set that eligibility limit at 100 percent FPL, which for a family of four is \$18,850. Providing coverage to more than 30,000 low-wage working parents will significantly reduce the amount of uncompensated care that doctors and hospitals are forced to provide to uninsured Kansans, which in turn will lower everyone's health care costs.

**Cost: \$25 million**



#### **6. Provide access to lower-cost prescription drugs**

To help Kansans save money on life-saving prescription drugs, the state will collaborate with Kansas pharmacies to provide low-cost, generic drugs to low-wage working Kansans. The state has also established a Web-based prescription drug resource center to assist Kansas seniors and the uninsured in accessing free and reduced price medications, including access to the I-Save Rx Program to purchase lower cost medication through Europe and Canada.

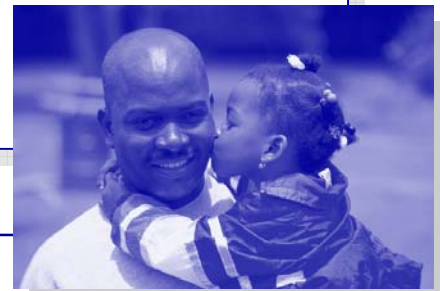
**Cost: \$500,000**



## **7. Help Kansans get and stay healthy**

No health care reform effort can be successful in containing costs if it does not address the growing epidemic of childhood and adult obesity and the documented health consequences of tobacco use. The Kansas Department of Health and Environment will work with business, education, and community leaders to implement an effective state-wide program to help Kansans assume greater personal responsibility for their health and wellness. The program will provide Kansans with incentives to increase their physical activity, avoid tobacco use, follow healthy diets, and seek preventive care.

**Cost: None**



## **8. Dedicated health care assessment on tobacco products**

A 50 cent per pack health care assessment on cigarettes and a 5 percent health care assessment on other tobacco products, from the current 10 to 15 percent, will be dedicated to funding the HealthyKansas initiative. In Kansas, health care costs related to smoking total more than \$724 million annually. A health care assessment on tobacco products will not only raise the needed revenue for HealthyKansas, but is also proven to be the best method of reducing smoking among both youth and adults. Studies show that every 10 percent increase in the price of cigarettes reduces youth smoking by 7 percent and overall cigarette consumption by 3 to 5 percent.